(b) During 1992-93 the current account deficit is estimated to have gone up to US $ 5.2 billion from US $ 3.2 billion in 1991-92. This is mainly due to the increase in imports following the relaxation in import compression measures. Also a relatively lower level of receipts in invisibles account contributed to the increase in the current amount balance during 1992-93. The current account deficit during 1992-93, however is lower than the level in 1990-91.

(c) The balance of payment is kept under constant watch and measures are taken to ensure that the external payment position remains stable. Addtional steps being taken by the Government to improve the balance of payments position include further fiscal consolidation to keep inflation down, maintenance of competitive exchange rate, improvement of export infrastructure, removal of export constraints especially for agro-products, further streamlining of trade policy and procedures, ensuring an increase in domestic production of crude oil, encouragement of non-debt creating capital inflows and also mobilisation of exceptional financing from multilateral and bi-lateral sources.

(d) The invisibles account which has been a source of support to the balance of payment in the past has been deteriorating in the recent years. This is mainly due to rising poyments on account of interest payments and stagnating tourism recepits.

Import Duty waste Paper

2648. SHRI SHIV PRATAP MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that paper traders association has demanded that the import duty should not be imposed on waste paper; and

(b) if so, what are the details thereof and the action taken on their demand?

THE MINISTER OF STATE IN THE MINISTY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) The All India Small Paper Mills Association has requested for abolition of import duty on waste paper. The Association of Waste Merchants and Raw Material Suppliers, on the other hand, has requested for imposition of heavy import duty on waste paper and pulp. The requests are under examination.

Frauds detected by Nationalised Banks

2649. SHRI MURLIDHAR CHANRAKANT BHANDARE: Will the Minister of FINANCE be pleased to state:

(a) the number and nature of frauds detected by Nationalised Banks, bank-wise;

(b) what is the total amount involved in these frauds;

(c) action taken by the Government against those involved in these frauds, and

(d) details of corrective measures taken by the Government to avoid such frauds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) Details regarding total number of frauds reported by 20 Nationalised Banks to RBI during the years 1990, 1991, 1992 and 1993 (upto March) and the amount involved therein are given in the Statement. (*See* below)

RBI has reported that frauds have generally occurred in the areas of misappropriation of cash/remittances, fraudulent encashment of negotiable instruments, withdrawal through forged instruments misutilisation or exceeding of discretionary limits, non-observance of prescribed norms

in granting credit facilities, opening/issue of letters of credit, bank guarantees, etc. without proper authority and frauds in foreign exchange transactions through non-adherence to Exchange Control manual provisions.

Available information in respect of employees of the nationalised banks convicted/discharged/removed from service, during the years 1991 and 1992 for their involvement in fraud cases is given below:—

	1991	1992
(i) No. of employees convicted	29	14
(ii) No. of employees given penalties (major/minor)	439	516
(iii) No. of employees [out of (i) above] dismissed/discharged/removed	180	186

Government/Reserve Bank of India and Banks have taken several steps from time to time for prevention and prompt detection of frauds.

Reserve Bank of India has issued circulars giving comprehensive guidelines wherein banks have been advised to strength in the control mechanism, with a view to eliminate scope for malpractices. Fraud cases are reviewed by RBI, and in ingenious cases, modus operandi and required safeguards are advised to banks for initiating action to prevent their reoccurence.

RBI has also impressed upon the banks for proper training of operational personnel so that they appreciate the implications of laxities in following laid down procedures, and take needed care in actual working.

RBI has set up a Special Investigation Cell for undertaking investigation and scrutiny into reported cases of major frauds as well as snap inspections covering systems, and procedures and control arrangement in identified fraud prone areas.

Reserve Bank of India also issues caution notices for information of chairman of all commercial banks whenever serious irregularities/fraudulent transactions are observed in the conduct and operaton of borrowal account and advising them to make detailed and indepth enquiries before granting/renewing any facilities to such parties.

Banks have also been impressed to clear arrears in balancing of books and reconciliation of inter-branch and other accounts on a continuous basis so as to prevent frauds in these areas. The steps taken by banks and the improvement is reviewed by the RBI.

Implementation of recommendations made by the Ghosh Committee which enquired into various aspects relating to frauds and malpractices in the banks is being monitored.

Statement

Bank wise positions of frauds in the 20 nationalised banks and involved therein during the years 1990, 1991, 1992 and 1993 (upto March).

(upto March)

Sl. No.	Name of the Bank	1990		1991		1992		1993	
		No. of frauds	Amt. involved	No. of frauds	Amt. involved	No. of Frauds	Amt. involved	No. of frauds	Amt. involved
1	2	3	4	5	6	7	8	9	10
1	Allahabad Bank .	31	24.97	34	25.56	38	66.46	8	2.72
2	Andhra Bank .	38	799.40	35	290.03	41	1028.75	19	116.45
3	Bank of Baroda	80	181.83	79 *10	240.95 30.11	70 *5	281.64 30.07 +FS1500	24 *3	175.09 2.01
4	Bank of India .	81 *16 **+shs.	255.73 90.13 4597787	96 *6	689.03 38.53	154 *6	701.75 2355.83	36 *2	147.81 0.82
5	Bank of Maharashtra .	*6 6	1979.19 15.70	12	742.29	31	298.63	2	0.54
6	Canara Bank .	156	2295.96	115	489.14	140	369.35	6	44.81
7	Central Bank of India . . .	50	148.63	68	106.04	50	1311.66	26	89.25
8	Corporation Bank	17	49.16	19	6.64	14	16.47	8	36.54
9	Dena Bank .	22	24.35	20	46.16	32	33.65	5	17.78
10	Indian Bank .	45	87.10	56	223.73	65	319.93	10	2.99
11	Indian Overseas Bank .	46	11.04	60	18.67	83	745.40	9	28.05
12	New Bank of India	28	757.42	19	517.28	25	495.83	5	1.12
13	Oriental Bank of Commerce .	12	26.10	7	80.25	6	26.66	..	..
14	Punjab National Bank .	197	100.67	52	218.59	54	111.45	20	92.31
15	Punjab & Sind Bank . .	16	33.93	14	193.70	6	245.61	7	213.22
16	Syndicate Bank .	113	123.35	116	381.85	98	202.38	47	38.24
17	Union Bank of India . .	60	374.64	65	45.05	44	47.45	12	4.06
18	United Bank of India . .	43	17.36	24	7.71	25	243.22	10	5.55
19	UCO Bank .	29	131.33	57 *2	492.18 12.25	39	4436.87	8 *1	8.83 20.36
20	Vijaya Bank .	33	1059.81	40	58.40	38	25.15	11	80.45
	TOTAL: .	1034	8598.36 +Shs 4597787	996	4960.14	1063	13425.38 +F$ 1500	350	1129.00

* indicates frauds outside India

F$—Fizian Dollars (FIBI Currency)

** Shs represents Ugandan Shilling